Ordinance for recovery of trapped loans

†*125. SHRI KHAN GHUFRAN ZAHIDI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government proposed to promulgate an Ordinance to recover the trapped loan amount of banks; and

(b) if so, the details thereof and details of total such amount till date?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Yes, Sir. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance 2002 was promulgated on 21st June, 2002. This is to enable banks and financial institutions to realise long term assets, manage problem of liquidity, asset-liability mismatch and improve recovery by exercising powers to enforce securities easily. This will enable banks to improve their recovery of dues and reduce their Non-Performing Assets. Copies of this Ordinance were laid on the table of this House and a Bill "The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Bill, 2002" proposing to replace the Ordinance has been introduced on 19-7-2002 in the Lok Sabha.

The gross Non-Performing Assets (NPAs) of all scheduled commercial banks stood at Rs. 63,883 crore at end March, 2001.

Strategy for boosting FDI inflows

*126. SHRI K. NATWAR SINGH:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have drawn a comprehensive strategy aimed at boosting Foreign Direct Investment inflows;

(b) if so, what are the details thereof;

†Original notice of the question was received in Hindi.

(c) whether the strategy will not only abolish most sectoral caps but also lay out a road map for image building and marketing the country as an investment destination; and

(d) if so, to what extent this strategy has helped to boost the FDI inflows to India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (c) Government recognises Foreign Direct Investment (FDI) as a critical input for accelerated economic growth. With the above objective in mind, the Government has taken various initiatives to step up FDI inflows. The comprehensive strategy pursued by the Government in this regard, *inter alia* includes the following:

(i) A liberal FDI policy, which is characterised by:

- transparency
- time-bound disposal of applications received by the Foreign Investment Promotion Board (FIPB)
- no ceiling on foreign equity participation except for a few sectors where caps have been imposed on strategic and sectoral considerations
- Liberal policy in respect of repatriation of original investment and profits
- liberal policy for technology collaboration payments
- opening up of new sectos for FDI such as integrated township development, defence industry, mass rapid transport system, etc.

The FDI policy, including sectoral policies and caps, is reviewed on an ongoing basis by a Group of Ministers (GoM) constituted for this purpose.

(ii) Investment Promotion Efforts:

The main focus of investment promotion activities is on dissemination of information and enhancing the awareness on investment opportunities in India through multimedia

presentations, investor meets, publications exhibitions, sectoral roadshows, seminars, etc., in India and abroad. The Destination India events are specially organised in countries, which are perceived as major sources of FDI. These events have been held in several countries such as USA, France, Germany, Japan, etc. The State Governments also are actively involved in investment making efforts. Apart from this, useful investment advisory support is given to both existing and prospective investors with the help of online chat facility and dedicated e-mail facility.

(iii) Investment Facilitation

The Government has recently embarked upon a six-point strategy to facilitate speedy implementation of FDI projects under the Foreign Investment Implementation Authority (FIIA) framework. This, *inter alia*, includes close interaction with foreign investor at both operational and corporate board level; follow-up with Administrative Ministries and State Governments concerned; involvement of missions abroad in promoting FDI and tracking FDI intents; and sector specific approach in removing investment bottlenecks.

(d) FDI inflows have by and large registered a consistent growth since 1991. The policies put in place have resulted in FDI inflows amounting to US $4.06 billion (excluding ADRs/GDRs) during the financial year 2001-02, the highest ever recorded in a year, as against US $2.48 billion in 2000-01, registering a 60% growth. It is noteworthy that this record increase has taken place at a time when Global FDI flows have declined by over 40 percent in the year 2001.

Studies by NWDA for Water Transfer Links

127. SHRI C. RAMACHANDRAIAH: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that National Water Development Agency (NWDA) had completed pre-feasibility and feasibility studies for several water transfer links of National prespective plan;

(b) if so, the details of the links, State-wise;

(c) the progress made in implementing the perspective plan; and